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Senate

The Senate met at 2 p.m. and was called to order by the Honorable Christopher A. Coons, a Senator from the State of Delaware.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Spirit, we are overwhelmed by Your majesty and grateful for Your indescribable love. But we are also overwhelmed by our inadequacies, our failures, and our sins. Lord, forgive us for the misusing of the talents and abilities You have given us. Help us to cut through our preoccupation with ourselves and become more fully involved in fulfilling Your purposes.

Today, set the hearts of our Senators upon new paths as they acknowledge that no true peace is possible outside of Your will. Guide them to produce creative legislation that will fulfill Your will on Earth.

We pray in Your sacred Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable Christopher A. Coons led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President protempore (Mr. INOUYE).

The legislative clerk read the following letter:

U.S. SENATE, PRESIDENT PRO TEMPORE, Washington, DC, June 25, 2012.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Christopher A.

COONS, a Senator from the State of Delaware, to perform the duties of the Chair.

DANIEL K. INOUYE,

President pro tempore.

Mr. COONS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized

SCHEDULE

Mr. REID. Mr. President, we are now considering the motion to proceed to the flood insurance bill postcloture. We will begin consideration of that bill today. At 5:30, there will be a cloture vote on the motion to concur in the House message with respect to S. 3187, which is the Food and Drug Administration bill. This is an extremely important bill. Work has been completed on that. We should be OK tonight and have that as something we look to as having accomplished this week.

We also need to complete work on student loans, flood insurance, and transportation this week. We have lots to do and a very short time to do it.

IMMIGRATION REFORM

Mr. REID. Mr. President, today the Supreme Court correctly struck down the vast majority of the mean-spirited Arizona law; that is, of course, the immigration law. While I agree with the Court's decision to invalidate three troubling provisions of Arizona's flawed law, there are actually four provisions. Three were declared unconstitutional, one was upheld.

I am concerned about the section they upheld. I am surprised they did, but they did. The Justices upheld a measure that allows police to conduct immigration checks on anyone they suspect of being in the country illegally, even if their only evidence is an accent or maybe the color of their skin.

Allowing Arizona to keep its "papers please" system of immigration checks invites racial profiling. It gives Arizona officials free rein to detain anyone they suspect of being in Arizona without documentation.

As long as this provision remains, innocent American citizens are in danger of being detained by police unless they carry immigration papers with them at all times. However, it is reassuring that the Court left the door open to further court challenges of this unsound provision. I say to the Presiding Officer and to anyone within the sound of my voice, someone with my skin color or yours, I do not think we are going to be carrying our immigration papers with us everyplace we go.

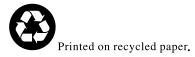
But if someone is in Arizona and speaks with a little bit of an accent or their skin color is brown, they better have their papers with them. That is unfortunate. It is reassuring that the Court, though, left the door open to further court challenges of this very unsound provision. I am optimistic that once that portion of the law is implemented, it will be discarded.

Laws that legalize discrimination are not compatible with laws and traditions of equal rights. So it is disturbing that Mitt Romney has called the unconstitutional Arizona law a model for immigration reform. Anyone who thinks such an unconstitutional law should serve as a model for national reform is clearly outside the mainstream.

The U.S. Supreme Court agreed with that today. Today's partial victory affirms the Obama administration was right to challenge this awful law, and it is a reminder that the ultimate responsibility for fixing our Nation's broken immigration system rests with Congress.

Instead of allowing 50 States to have 50 different enforcement mechanisms,

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



we need a national solution that continues to secure the border, punishes unscrupulous employers that exploit immigrants and undercut American wages, improves our dysfunctional legal immigration system, and requires the 11 million people who are undocumented to register with the government, pay fines and taxes, learn English, work, stay out of trouble, and go to the end of the line to legalize their status.

Democrats are ready for this challenge. We have been willing to craft a commonsense legal solution for a long time, one that is fair, tough, and practical. As I have indicated, we have been ready to do this for years. We have tried on a few occasions. The problem now and has been, Republicans will not vote for immigration reform—simple as that. We have tried.

The first step would be to pass the DREAM Act, which would create a pathway to citizenship for children brought to the country through no fault of their own. If upstanding young people stay out of trouble, work hard in high school, they should have a chance to serve their country in the military, go to college, and work toward citizenship.

Unfortunately, Mitt Romney said he would veto that, the DREAM Act. President Obama, on the other hand, took decisive action in halting deportation of the DREAMers. His directive will protect 800,000 young people and focus law enforcement resources where they belong, on deporting criminals.

As we all know, though, this is not a permanent solution. But President Obama's decision to defer these deportations was necessary precisely because Republicans have so far refused to work with Democrats on a solution. Congress must consider a long-term resolution to protect the DREAMers and tackle comprehensive immigration reform that addresses all 11 million undocumented people living in this country.

But that will take cooperation from my Republican colleagues. That has not been forthcoming. This week, we have a lot to accomplish, and getting it all done before the July 4 holiday will also take cooperation. By Friday, the Senate must pass flood insurance that will allow millions of Americans to close on new homes or new properties. We must send to the President a bill to ease drug shortages. That is the FDA bill. We need to protect 3 millions jobs with an agreement on transportation legislation, and the deadline to stop student loan rates from doubling for 7 million students looms at the end of this week as well.

I am putting my colleagues on notice that the Senate will stay as long as we have to, into the weekend if necessary, to complete this substantial workload. We hope there will be cooperation not only in this body but also in the House of Representatives. I alert everyone, we have a lot to do—extremely important pieces of legislation. We have to complete them before we leave this week.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

FLOOD INSURANCE REFORM AND MODERNIZATION ACT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 1940, which the clerk will report by title.

The legislative clerk read as follows: Motion to proceed to Calendar No. 250, S. 1940, a bill to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE ECONOMY

Mr. GRASSLEY. Mr. President, since the victory of the Socialist candidate for the President of France, opponents of fiscal responsibility have found renewed vigor for their pro-spending ideology—more stimulus, as we might call it here in this country. There is interest in this country also in more fiscal stimulus.

The new French President talked about choosing growth over austerity. Many liberal pundits and politicians on this side of the Atlantic have now begun to echo this call. When you put it that way, it barely sounds like a choice at all. The term "austerity" sounds so severe, but almost everybody agrees that economic growth is good.

Just what is this austerity all about? In Europe, "austerity" is often used to describe an attempt to reduce budget deficits by reining in unsustainable spending. In this country, we more often talk about fiscal responsibility. For Europeans who have grown accustomed to generous social benefits, even modest reforms to government programs are apparently cause to take to the streets and demonstrate. But for the millions of Americans who still believe in limited government and who do not feel entitled to programs or benefits paid for by the earnings of others, there is nothing austere about government spending within its means.

So then what about the other aspect of it—growth? The implication of the supposed choice between growth and austerity is that we must accept irresponsible levels of spending in order to have that economic growth. Obviously this is absurd. The politically convenient economic theory was summed up by Margaret Thatcher as, "The more

you spend, the richer you get." That doesn't meet the commonsense test in the Midwest of America. It was the rationale behind President Obama's massive \$800 billion stimulus bill. The bill looked suspiciously like a grab bag of pent-up Democratic spending priorities, but we were told that all of this spending was necessary to keep unemployment below 8 percent. Of course, as we all know, unemployment soon soared well above 8 percent and has never dipped below 8 percent now more than 3 years later.

I would say to all of those across the Atlantic in Europe calling for new stimulus spending: We tried it, and it didn't work. Not only didn't it work but it made things worse. All of that government spending crowded out private sector activity that would have helped the recovery and saddled our economy and our children with even more debt. Conversely, reining in government spending will unleash the power of free enterprise to create wealth and grow our economy in ways no government central planner can ever accomplish.

Despite the clear results of the most recent American experience with stimulus spending, liberal pundits are now blaming Europe's current economic troubles on efforts to reduce government spending. They say that savage cuts by pro-austerity governments in countries such as Britain, France, and Spain have actually damaged their economies. So just how deep did these countries of Europe actually cut? Spain increased spending after the recession started, then implemented some modest cuts but is still spending more than it did before the recession. Britain and France have continued to increase spending. So much for savage spending cuts. It defies common sense, but, as you know, in this town smaller increases in spending than previously planned can qualify somehow as a cut in spending. However, to most Americans, cutting spending actually means spending less than you were the year before. The fact that there have been no serious spending cuts in these supposedly pro-austerity countries is enough to dismiss the accusations that spending cuts are the cause of Europe's current troubles.

But there is another part of the story that is too often ignored: Governments that talk about the need to reduce deficits but are too timid to enact necessary spending cuts invariably turn to tax increases. For instance, since the recession started, Britain has raised the top marginal income tax rate as well as increased the capital gains tax, the national insurance tax, and the value-added tax. Spain has enacted hikes in personal income tax and property taxes and seems to be planning even more taxes.

This year the Spanish Government is looking to address its deficit with a \$19.2 billion package of spending reductions paired with another \$16 billion worth of tax increases. Of course, to us